

## IOWA FINANCE AUTHORITY[265]

### Notice of Intended Action

#### **Proposing rule making related to using ESG program funds to renovate emergency shelters and providing an opportunity for public comment**

The Iowa Finance Authority hereby proposes to amend Chapter 42, “Emergency Solutions Grant Program,” Iowa Administrative Code.

#### *Legal Authority for Rule Making*

This rule making is proposed under the authority provided in Iowa Code section 16.5.

#### *State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code section 16.5.

#### *Purpose and Summary*

The Authority is the state agency charged with administering the Emergency Solutions Grant (ESG) program, a federal program funded and regulated by the U.S. Department of Housing and Urban Development (HUD). HUD regulations for ESG permit the renovation of emergency shelters for homeless shelters as an eligible activity. Rule 265—42.4(16) sets forth the eligible grant activities under the HUD program. Currently, rule 265—42.4(16), in the shelter category, only permits the operation of emergency shelters and the provision of essential services to homeless families and individuals. Historically, the Authority has received a relatively smaller annual allocation of funds, less than \$3 million per year. However, in summer 2020, the Authority received a larger supplemental allocation of \$11 million as part of the COVID-19 relief package. The Authority proposes adding renovation as a permitted activity because the need to renovate emergency shelters exists and the allocated funds are sufficient to award grant applications for renovation. The Authority awards funds through a competition and establishes the scoring criteria for prioritized activities for each competition cycle in accordance with funding levels and need. The Authority also proposes amending rule 265—42.5(16) to update an outdated statutory reference.

#### *Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

#### *Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

#### *Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 265—Chapter 18.

#### *Public Comment*

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Authority no later than 4:30 p.m. on October 27, 2020. Comments should be directed to:

Kristin Hanks-Bents  
Iowa Finance Authority  
1963 Bell Avenue, Suite 200  
Des Moines, Iowa 50315  
Email: [kristin.hanks-bents@iowafinance.com](mailto:kristin.hanks-bents@iowafinance.com)

### *Public Hearing*

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

### *Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rule-making actions are proposed:

ITEM 1. Amend rule 265—42.4(16) as follows:

**265—42.4(16) Eligible activities.** Eligible activities may include only the following:

**42.4(1) *Street outreach.*** Provision of essential services necessary to reach out to unsheltered homeless people; to connect them with shelter, housing, or critical services; and to provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access shelter, housing, or an appropriate health facility.

**42.4(2) *Shelter.*** Provision of essential services to homeless families and individuals in shelters, the renovation of buildings to be used as emergency shelters for homeless families and individuals, and the operation of emergency shelters.

**42.4(3) *Prevention of homelessness.*** The provision of housing relocation and stabilization services, short- or medium-term rental assistance, or other financial assistance as necessary to prevent an individual or family from experiencing homelessness.

**42.4(4) *Rapid re-housing.*** The provision of housing relocation and stabilization services, short- or medium-term rental assistance, or other financial assistance as necessary to help an individual or family experiencing homelessness to move as quickly as possible into permanent housing and achieve stability in that housing.

**42.4(5) *Administrative costs.*** A subrecipient may use a portion of a grant received for administrative purposes as determined by IFA. IFA reserves the authority for distribution of administrative funds.

**42.4(6) *Homeless Management Information System (HMIS) projects.*** IFA may award grants for HMIS implementation to support data collection, reporting, and analysis as long as the total amount of such grants does not exceed 10 percent of the total Emergency Solutions Grant Program allocation. Eligible costs may include equipment, software, services, personnel, space, and operations for HMIS activities. IFA may in its discretion award such a grant, subject to the terms of this subrule, without regard to the application and review provisions of rules 265—42.6(16) and 265—42.7(16). Subrecipients of grants in support of other eligible activities listed in subrules 42.4(1) to 42.4(4) may also use a portion of such grants to support data collection and reporting using the HMIS or comparable database.

ITEM 2. Amend rule 265—42.5(16) as follows:

**265—42.5(16) Ineligible activities.** As a general rule, any activity that is not authorized under the provisions of ~~P.L. 100-628~~ the HEARTH Act of 2009 is ineligible to be carried out with ESG program funds.